

ANARCHO-CAPITALISM



ROBERT P. MURPHY
MISES ACADEMY
AUGUST 1, 2012

LECTURE 1: PRIVATE LAW I

test

PRIVATE LAW I

I. Course Intro

II. The Nature of Law

- A. Distinct from *morality*.
- B. Distinct from *law enforcement*.
- C. Distinct from *legislation*.
- D. Bound up with *property rights*.

III. "Public" vs. Private Law

- A. Why monopoly?
- B. Rothbard def. of "state" separates law from enforcement.

IV. The Possibility of Private Law

- A. Analogies with language, science, etc.
-> Is law created or discovered?
- B. Private judges sell opinions.
- C. The role of insurance.



-Live lecture Wed

-15 min Q&A

⇒ NOT IN CHAT

BUT IN Q&A

⇒ Grade is optional.

⇒ SAT "Office Hours" optional

I. COURSE INTRO

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PRIVATE LAW (I) ←



II. THE NATURE OF LAW



LAW \neq MORALITY

DRUG PROHIBITION

**A. DISTINCT FROM
MORALITY**



→ Different

firms would
provide legal

advice, US enforcement

B. DISTINCT FROM LAW ENFORCEMENT



HAYEK'S POINT

C. DISTINCT FROM
LEGISLATION



As a general rule,
"breaking the
law" \Rightarrow

violating property
rights

**D. BOUND UP WITH
PROPERTY RIGHTS**



III. “PUBLIC” LAW VS. PRIVATE LAW



Std objections to
Monopoly apply here too

→ POLICE BRUTALITY

→ Judicial CORRUPTION

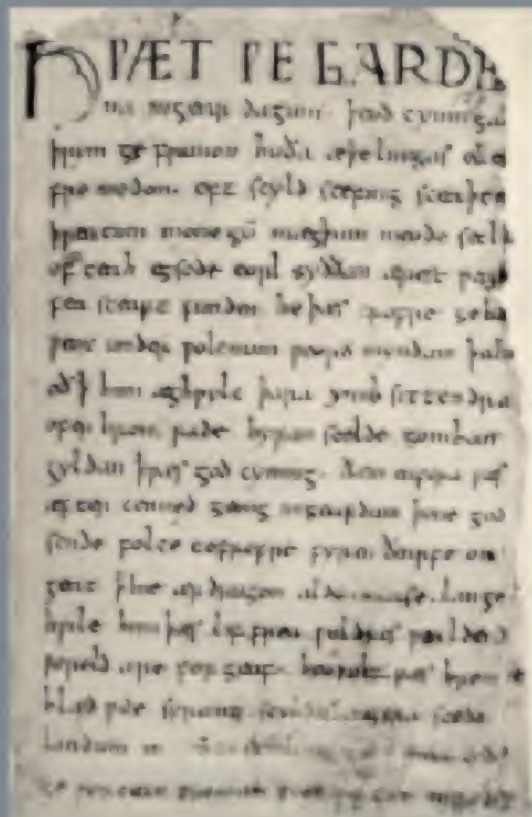
→ Rampant overspending

A. WHY MONOPOLY?

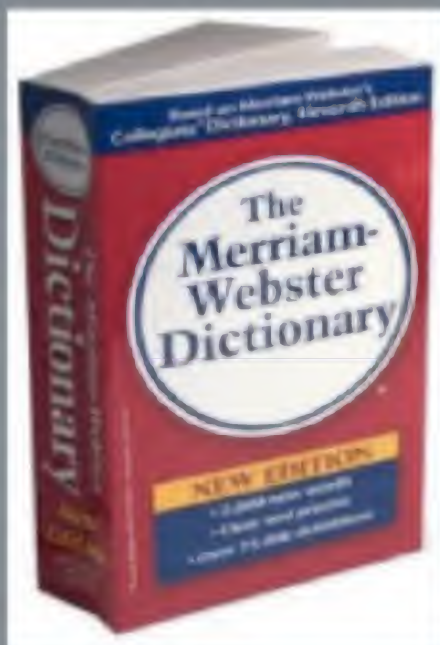


→ In some places, Rothbard
claims
(a) TAXATION monopoly
(b) ~~monopoly on~~ ^{monopoly}
This ultimate arbiter of
proper use of force.

**B. ROTHBARD DEF OF
“STATE” SEPARATES LAW &
ENFORCEMENT**



IV. THE POSSIBILITY OF PRIVATE LAW



CODIFY

definitions &

"rules of grammar"



**A. ANALOGIES: IS LAW
CREATED OR DISCOVERED?**



This is advance
from my thinking
in Chao
Theory

B. PRIVATE JUDGES SELL *OPINIONS*



Fire Insurance

Medical Malpractice
Insurance

C. TWO VIEWS ON ROLE OF INSURANCE

ANARCHO-CAPITALISM



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AUGUST 8, 2012

LECTURE 2: PRIVATE LAW II

PRIVATE LAW II

test

I. Joke Time: Gene Callahan
Evolution

II. More on Insurers /
Guarantors

III. Prison in a "Free" Society?

IV. Exploring Private Law
Deeper...

- A. Multiple Legal Codes
- B. Role of Precedent
- C. "Outrageous" Rulings
- D. Appeals Process



I. JOKE TIME: GENE CALLAHAN BEFORE...



→ ...AND AFTER PRIVATE
DEFENSE AGENCY VISIT



→ HEALTH CARE VS.
HEALTH CARE
INSURANCE

even today, "fraternal organizations"
→ "UL" Private Plan
Consumer Reports

II. MORE ON INSURERS / GUARANTORS



→ we have serial killers
now in this
society.

DAN D'AMICO

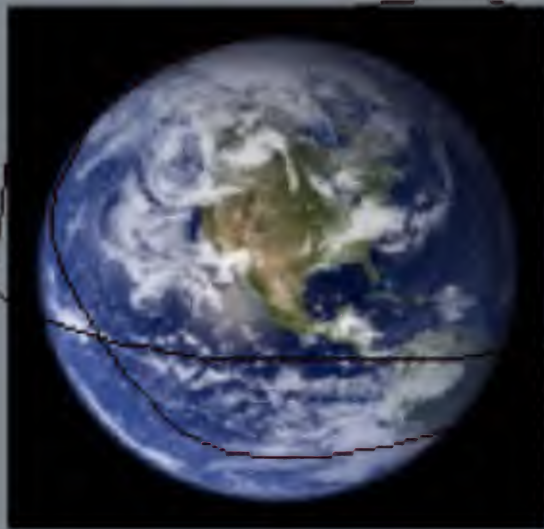
III. PRISON IN "FREE" SOCIETY?



IV. EXPLORING PRIVATE LAW DEEPER...



isak penalty,
→ minimize interaction
across different
codes.



A. MULTIPLE LEGAL CODES

"the rule of law"



→ predictability

B. ROLE OF PRECEDENT



POLICE HAD

FRAMED A

GUILTY

MAN"

Dershowitz

C. "OUTRAGEOUS" RULINGS



D. APPEALS PROCESS

test

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AUGUST 15, 2012

LECTURE 3: PRIVATE DEFENSE

PRIVATE DEFENSE

I. "Domestic" Defense

- A. Distinct from "Foreign" Defense?
- B. Law enforcers NOT law promulgators.
- C. Enforcers subject to same law.
→ "Police immunity"?

II. Defense Against Foreign Invasion

- A. Insurance-funded.
- B. Free rider problem.
- C. Calculation argument.
 - 1. Cost
 - 2. Conscription?
- D. Legal issues.
 - 1. Assassination?
 - 2. WMD?



→ Anti-State.com

→ QUALITATIVE
DIFF. IN
SOCIAL
OSTRACISM

I. “DOMESTIC” DEFENSE

A. DISTINCT FROM “FOREIGN”

DEFENSE?



I. “DOMESTIC” DEFENSE

A. DISTINCT FROM “FOREIGN” DEFENSE?



B. LAW ENFORCERS, NOT
PROMULGATORS



→ Interrogation?

→ Insurance for detective/
police in case they commit
crime.

C. ENFORCERS SUBJECT TO SAME LAW

→ POLICE "IMMUNITY"?



→ on this
issue, my
view =
Rothbard/Hoppe
on role of insurance.

→ Insurer can alter the risk of loss.

II. DEFENSE AGAINST

FOREIGN INVASION

A. INSURANCE-FUNDED.

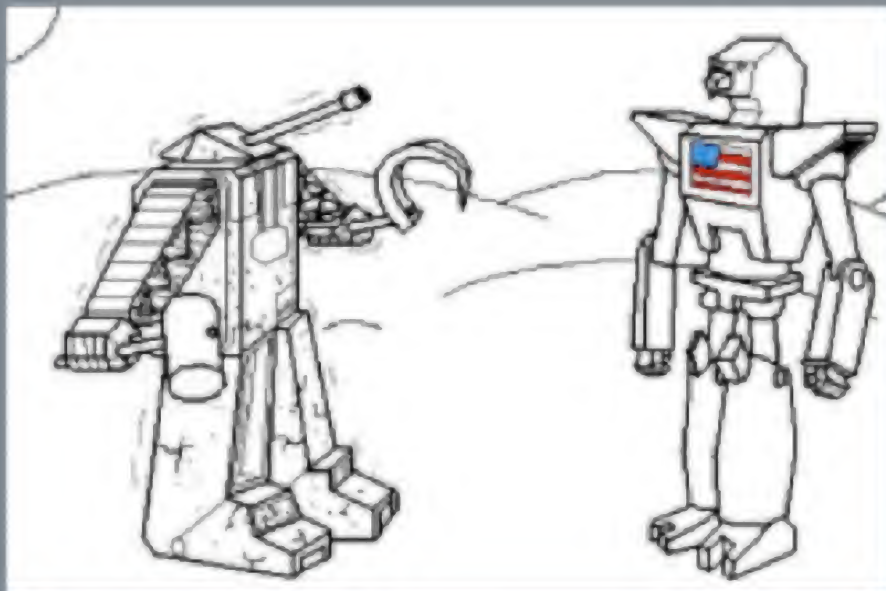


→ Std argument
for govt
provision of
defense.

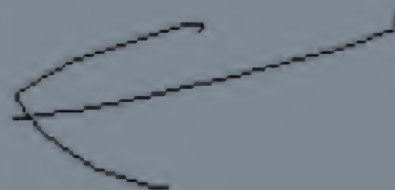
→ COASE THEOREM

⇒ w/ low transaction costs
~~EFF~~ Efficient Outcomes

B. FREE RIDER PROBLEM?



C. CALCULATION ARGUMENT



1. BEAR COSTS OF DEFENSIVE ACTIVITIES



→ CALCULATION
ARGUMENT

→ Hummel

✓ Emancipating Slaves,
Enslaving Free Men

2. CONSCRIPTION?



D. LEGAL ISSUES



1. ASSASSINATION?



2. WMD?

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AUGUST 22, 2012

LECTURE 4: COMMON OBJECTIONS

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COMMON OBJECTIONS

I. General Defense: Apples to Apples

II. Common Objections

A. We Need One Legal Code

B. Man Is a Political Animal

C. People Motivated By
Ideology, Not Just Money

D. A State Would Emerge

E. A State Would Conquer

F. Constant Warfare

G. Mafia Rule

H. Why Hasn't It Happened?



→ "NIRVANA FALLACY"

→ People will throw
out the market

If it's not perfect.

Is this better? e.g. SOMALIA

I. GENERAL DEFENSE:

APPLES TO APPLES



II. COMMON OBJECTIONS



→ US right now, we don't have it literally.

→ "Yes - support OWC?"

→ In a certain sense, can-cap

⇒ true "rule of law"

↳ Less corruption

A. WE NEED ONE LEGAL CODE

A2. "There needs to be a final court of appeal."

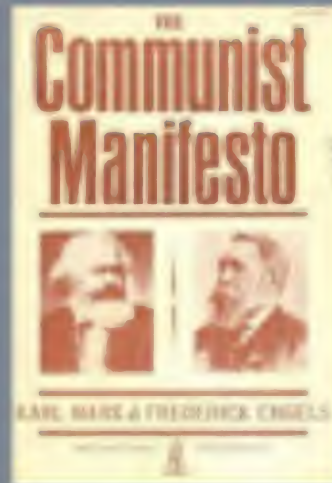


→ He's wrong.

→ What he "means"
is better handled
w/ an - cap

→ Mises' critique of anarchy

B. MAN IS A POLITICAL ANIMAL



C. PEOPLE MOTIVATED BY IDEOLOGY,
NOT JUST MONEY



"From within"

→ Notice how US
liberty ↓ over
generations.

Yes it
might!

to much to
an-cap

tyranny

D. A STATE WOULD EMERGE

→ Under an-cap, criminal groups obvious



E. A STATE WOULD CONQUER



→ NO CONSCRIPTION
OR TAXATION

"Wouldn't WARLORDS
take over?"

F. CONSTANT WARFARE



→ Better than
status quo.

Gov't empowers
organized crime.

G. MAFIA RULE



H. WHY HASN'T IT HAPPENED?

ANARCHO-CAPITALISM



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AUGUST 29, 2012

LECTURE 5: HISTORICAL APPLICATIONS

test

HISTORICAL APPLICATIONS

I. Clarification: Ostracism

II. Framing Issues

- A. Theory and History
- B. Selection Bias
- C. Nirvana Fallacy

III. Case Studies

- A. Somalia
- B. Pennsylvania
- C. Iceland
- D. American West
- E. Current Planet Earth?



→ OFFICE HOURS 4

→ Pure self-interest

→ Boycotting convicted

Infinitely
repeated
prisoner's
dilemma

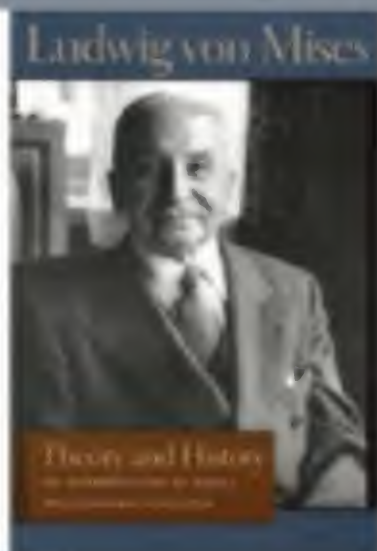
criminal in a way that
hurts boycotter?

I. CLARIFICATION:

OSTRACISM



II. FRAMING ISSUES



DAVID GORDON
MISES U



ACTION Praxeology

→ Don't "test" economic theory
→ Geometry

A. THEORY AND HISTORY



→ A lot of
"stateless" societies
are war-torn

B. SELECTION BIAS



C. NIRVANA FALLACY



III. CASE STUDIES



Ben Powell
Siad Barre

-91

UN pulled out in 95

-13 measures

191-?

185-190 Life exp ↓ 2 YRS ↑ 5 YRS

A. SOMALIA



→ QUAKERS HAD PEACE
Am Indians

B. PENNSYLVANIA



10th - 13th centuries
'SAGAS'

Njal
Wergeld Wergeld
"man price"

C. ICELAND



1830-1900

① 'LAND CLUBS'

② Cattlemen's Associations

→ hired guns

③ Mining Camp

④ LA BOUNTY GANGS

D. AMERICAN "WILD" WEST



E. CURRENT PLANET EARTH?

ANARCHO-CAPITALISM



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SEPTEMBER 5, 2012

LECTURE 6: HOW DO WE GET THERE?

test

HOW DO WE GET THERE?

I. La Boetie

II. Rothbard: How Not to
Desocialize

III. Rothbard: How to
Desocialize

IV. Gandhi's Nonviolent
Resistance

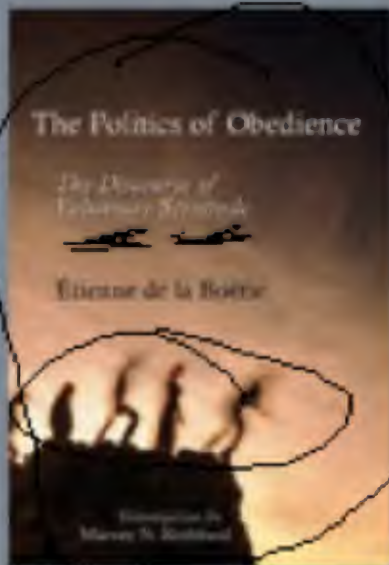
V. Libertarian Nuremberg
Trials?

VI. Education: Necessary, But
Sufficient?



VOLUNTARY SERVITUDE

→ TYRANT TOPPLE
IF WE ALL
refuse consent



→ DAVID HUME
"All gov't rests on the
consent of governed"

I. ETIENNE DE LA BOETIE

Mises: Ballots vs. Bullets justification



→ Imagine a dictator
whom everyone
despises & wishes
were dead.

→ If anyone challenges, others kill.

→ If anyone fails to kill assassin,
others kill him too.

➔ **MURPHY'S THOUGHTS ON
TOTALITARIAN STATES**

electronic "deregulation"

POST OFFICE

- Do Not "Phase In"

- Do Not Crack Down on Black Markets

- Do Not Confiscate the People's Money

- Do Not Raise Taxes

- Government Firms Owning Each Other Is Not Privatization

ashack

therm

"Austerity"

Financial
Sector

CRITICS OF "Neo-LIBERALISM"

II. ROTHBARD: HOW NOT TO DESOCIALIZE

- Legalize Black Market
- Drastically Lower All Taxes
- Abolish the Gov't's Ability to Create Money
 - Fire the Bureaucracy
- Privatize OR ABOLISH Gov't Operations

III. ROTHBARD: HOW TO DESOCIALIZE



How do you get rid
of Fred?

➔ MURPHY'S **PLANTATION ANALOGY**



Satyagraha: "force contained in
truth and love" or "nonviolent
resistance"

→ Tolstoy

"The Kingdom of God is
within You"

IV. GANDHI'S NONVIOLENT **RESISTANCE**



Lunch Counter
Sitting

➔ MURPHY'S DISCUSSION OF CIVIL
RIGHTS MVMT IN UNITED STATES



WALTER

Block

V. LIBERTARIAN
NUREMBERG TRIALS?



VI. EDUCATION: NECESSARY, BUT SUFFICIENT?